



Department of Veterans Affairs Office of Inspector General

Audit of Veterans Benefits Administration Transition Assistance for Operations Enduring and Iraqi Freedom Service Members and Veterans

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Executive Summary

Introduction

The Office of Inspector General (OIG) conducted an audit to determine if Veterans Benefits Administration (VBA) controls over transition assistance ensured (1) prompt processing of seriously disabled veterans' compensation claims from Operations Enduring Freedom and Iraqi Freedom (OEF/OIF) and (2) effective outreach to OEF/OIF service members and veterans.

The audit covered VBA transition assistance controls in effect during Fiscal Years (FY) 2006–2008 (through January 2008). The audit included a review of 4,969 compensation claims received at 57 VA Regional Offices (VAROs) from seriously disabled OEF/OIF veterans the Department of Defense (DOD) discharged from military service during FY 2006. The audit also evaluated VBA outreach to service members and veterans during FYs 2006 and 2007.

VBA Emphasis on Seriously Disabled OEF/OIF Veterans. In January 2007, VA's Under Secretary for Benefits wrote the following to all VBA employees:

There is no higher priority for any VBA employee, whether serving in the field or in headquarters, than ensuring that we are timely meeting the needs of those seriously injured in OEF/OIF. At every level of our organization, we must ensure we have identified and are case-managing all of the seriously injured. We must actively work to stay in touch with them and do all we can to ease their transition.

VBA defines seriously disabled veterans as service members who definitely or possibly will be discharged from military service because of an injury or illness and all veterans with DOD classification codes of very seriously injured, seriously injured, or a special category involving an amputation.

Presidential, Congressional, and Government Accountability Office Concerns. After the September 11, 2001, terrorist attacks, the U.S. led a coalition of military forces from more than 40 countries in two Global War on Terror (GWOT) operations. In October 2001, OEF began in Afghanistan and in March 2003, OIF began in Iraq. During the period of October 2001–December 2007, about 1.7 million U.S. service members supported OEF/OIF operations.

As these service members returned to the U.S., the President, Congress, and the Government Accountability Office (GAO) expressed concerns regarding VBA's transition assistance. To address these concerns, in March 2007 the President established a Task Force on Returning Global War on Terror Heroes and a Commission on Care for America's Returning Wounded Soldier. In addition, Congress held five hearings related to VBA's transition assistance responsibilities during the period August 2005–April 2007. These hearings focused on the effectiveness of the Transition Assistance Program (TAP) for members of the National Guard, cooperation between VA and DOD to meet

the needs of returning service members, and timeliness of disability claims processing. Also, GAO issued the report *Military and Veterans' Benefits, Enhanced Services Could Improve Transition Assistance for Reserves and National Guard* (Report No. GAO-05-544, May 2005). The report recommended that DOD, in conjunction with the Department of Labor (DOL) and VA, determine what National Guard and Reserve members need to make a smooth transition and to explore options for enhancing their participation in TAP.

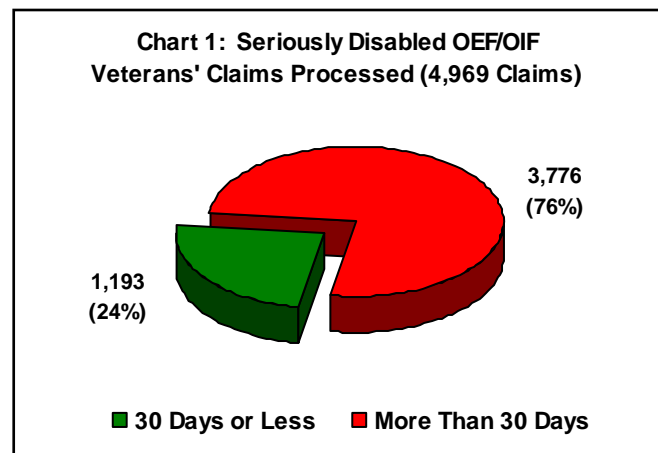
VBA Transition Assistance Responsibilities and Controls. Title 10 of the U.S. Code requires VA, DOL, and DOD to administer TAP to meet the needs of service members and veterans transitioning from military service to civilian life. VBA transition assistance responsibilities include promptly processing OEF/OIF veterans' claims and providing outreach to OEF/OIF service members and veterans.

VBA had several controls over the processing of seriously disabled OEF/OIF veterans' claims and outreach to OEF/OIF service members and veterans. These controls included a 30-day goal for VARO processing of seriously disabled OEF/OIF veterans' compensation claims and TAP briefing participation rate goals of 53 percent for FY 2006 and 85 percent for FY 2011.

Results

VBA controls needed strengthening to ensure transition assistance meets the needs of OEF/OIF service members and veterans. Controls over VARO processing of seriously disabled OEF/OIF veterans' compensation claims needed strengthening to meet VBA's 30-day claim processing goal. Claim processing delays can cause veterans financial hardship by depriving them of compensation they may need to successfully transition from military service to civilian life. In addition, controls over outreach needed strengthening to ensure VBA informs service members and veterans of available VBA benefits that can ease their transition to civilian life.

Claims Received from Seriously Disabled OEF/OIF Veterans Needed to Be Processed Promptly. To improve claim-processing timeliness, VBA needed to strengthen controls for obtaining DOD data identifying seriously disabled OEF/OIF veterans and monitoring case-managed claims. As shown in Chart 1, VAROs did not process 3,776 (76 percent) of 4,969 seriously disabled veteran compensation claims within VBA's 30-day goal.

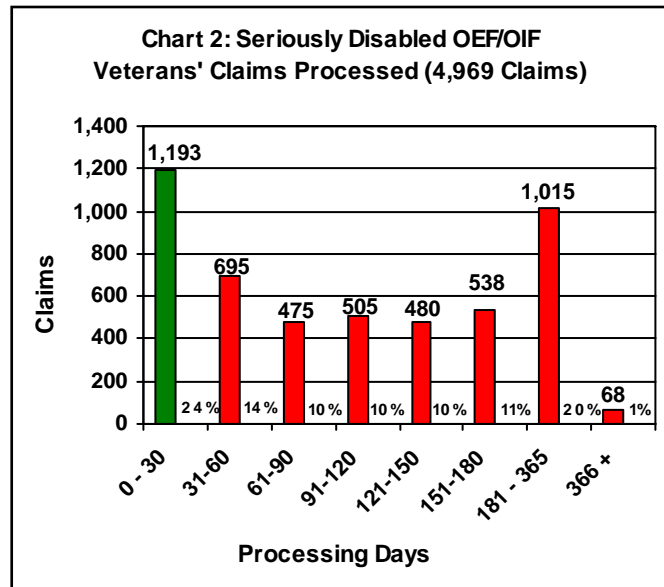


Of the 4,969 claims VAROs processed, 3,776 did not meet VBA's goal by an average of 114 days and as much as 504 days. Chart 2 shows the processing times for all 4,969 claims VAROs processed.

Obtaining DOD Data.

In June 2005, VBA established procedures with DOD in a Memorandum of Understanding (MOU) to obtain medical information that identified seriously disabled OEF/OIF veterans. In support of the MOU, the Under Secretary of Defense directed the U.S. Army Surgeon General to provide VBA a service member data report every 3 weeks that includes the injury and illness classification codes needed to identify these veterans. However, as of January 2008, VBA had not obtained any of the U.S. Army Surgeon General reports.

Senior C&P Service officials stated that VBA had not followed up with DOD to obtain these reports because VBA was waiting to obtain the injury and classification codes from a planned VBA/DOD Veterans Tracking Application (VTA). As of January 2008, VBA was testing the reliability of VTA data and could not provide us with a planned full implementation date.



Monitoring Case-Managed Claims. VBA policy requires VAROs to case manage seriously disabled OEF/OIF veterans' claims. Case management is intended to ensure VAROs process seriously disabled claims within VBA's 30-day goal. Case management procedures require VAROs to closely monitor the status of each claim and use telephone calls and letters to inform each veteran of their claim's status. VAROs only case managed 1,049 (21 percent) of the 4,969 seriously disabled OEF/OIF claims requiring case management. VAROs did not identify the remaining 3,920 (79 percent) claims for case management because VBA did not obtain the necessary information discussed above. Regardless, VBA's case management had minimal effect on the timeliness of claims received from seriously disabled OEF/OIF veterans. For example, VARO claim processing times did not meet the 30-day goal for 77 percent of the 3,920 claims that were not case managed and a minimally lower 74 percent of the 1,049 claims that were case managed.

To monitor the processing of case-managed claims, VBA's Office of Field Operations (OFO) and VAROs used an OEF/OIF Registry. However, the OEF/OIF Registry was not an effective monitoring tool because it did not clearly show and summarize claim processing timeliness information such as claim processing days to date. As a result,

OFO and VARO officials and case managers could not easily identify, track, and follow-up on claim processing delays.

Outreach to OEF/OIF Service Members and Veterans Needed Improvement. We estimated OEF/OIF service member VBA TAP briefing participation rates of 43 percent in FY 2006 and 47 percent in FY 2007. These participation rates were slightly less than VBA's FY 2006 goal of 53 percent. (VBA did not have a FY 2007 goal and, as discussed below, did not determine actual participation rates.) In addition, VBA did not deliver initial outreach letters to 65,853 (33 percent) of 198,128 OEF/OIF veterans. Furthermore, VBA did not provide special outreach to an additional 3,274 OEF/OIF veterans who did not have a high school diploma or equivalent. To improve outreach to service members and veterans, DoD is in the best position to collect and monitor service member attendance at VBA TAP briefings. In addition, VBA needed to strengthen procedures for processing initial outreach letters and establish policies and procedures for providing special outreach.

Monitoring TAP Briefing Attendance. DOD and VBA did not determine and monitor TAP briefing attendance for OEF/OIF service members because of difficulties in collecting the data needed to calculate participation rates. To calculate these rates, DOD needs to determine the OEF/OIF service members eligible to attend TAP briefings and the OEF/OIF service members who participate in the briefings. (Hospitalized seriously disabled service members who cannot attend TAP briefings receive an individual briefing at the medical facility providing treatment.) Our estimated participation rates of 43 percent in FY 2006 and 47 percent in FY 2007 indicate that VBA was not achieving the 53 percent TAP participation rate goal. In addition to monitoring TAP briefing attendance, to help increase TAP briefing participation, DOD needed to mandate service members to attend a briefing prior to discharge.

Processing Initial Outreach Letters. Title 38 of the U.S. Code requires VBA to advise discharged veterans, through outreach letters, of available VBA benefits. The 65,853 OEF/OIF veterans did not receive initial outreach letters because C&P Service staff made incorrect ineligibility determinations (36,968 National Guard and Reserve veterans), did not obtain Certificates of Release or Discharge from Active Duty (DD-214s) information from DOD (22,879 veterans), and did not follow-up on letters returned as undeliverable (6,006 veterans).

Providing Special Outreach. Title 38 of the U.S. Code requires VBA to perform special outreach, in person or by telephone, for veterans who do not have a high school diploma or equivalent. C&P Service staff stated that they did not identify and provide the 3,274 OEF/OIF veterans special outreach because it was not required by VBA policies and procedures.

Conclusion

VBA controls needed strengthening to ensure transition assistance meets the needs of OEF/OIF service members and veterans. Controls over VARO processing of seriously disabled OEF/OIF veterans' compensation claims needed strengthening to reduce claim-processing delays. In addition, controls over outreach needed strengthening to ensure VBA informs service members and veterans of available VBA benefits that can ease their transition to civilian life. VBA implementation of the following recommendations will address the transition control deficiencies identified during the audit and help ensure a smooth transition for the men and women who have made sacrifices in defense of freedom, not only in Iraq and Afghanistan, but also throughout the world.

Recommendations

1. We recommended the Acting Under Secretary for Benefits obtain U.S. Army Surgeon General reports that include the injury and illness classification codes necessary to identify seriously disabled service members until VBA fully implements VTA.
2. We recommended the Acting Under Secretary for Benefits develop improved monitoring mechanisms to ensure VAROs promptly process seriously disabled OEF/OIF veterans' compensation claims.
3. We recommended the Acting Under Secretary for Benefits pursue an agreement with DOD requiring service members to attend a VBA TAP briefing prior to discharge.
4. We recommended the Acting Under Secretary for Benefits develop a mechanism to obtain the VBA TAP briefing participation data necessary to calculate and monitor annual service member briefing participation rates.
5. We recommended the Acting Under Secretary for Benefits establish policies and procedures that clearly describe minimum benefit eligibility requirements and implement controls for ensuring the accuracy of eligibility determinations.
6. We recommended the Acting Under Secretary for Benefits develop a mechanism to obtain the DD-214 information needed to identify discharged veterans who should receive outreach letters.
7. We recommended the Acting Under Secretary for Benefits establish policies and procedures that require staff to follow-up on initial outreach letters returned as undeliverable.
8. We recommended the Acting Under Secretary for Benefits establish policies and procedures that require staff to provide special outreach to veterans who do not have a high school diploma or equivalent.

Acting Under Secretary for Benefits Comments

The Acting Under Secretary for Benefits concurred with the reports conclusions and recommendations, except for Recommendation 4. The Acting Under Secretary's comments on each of the 8 recommendations are summarized below:

1. The Acting Under Secretary stated that effective April 30, 2008, the VTA program was fully implemented, with all regional offices entering data into VTA on seriously injured service members. VBA requested closure of this recommendation.
2. The Acting Under Secretary stated that in September 2007 enhancements to the Veterans Service Network (VETSNET) Operations Reports were made that provide regional offices with improved methods to track claims of seriously disabled OEF/OIF veterans. The Acting Under Secretary also reported that through June of FY 2008 more than 30 percent of claims from seriously injured veterans were processed in 30 days or less. VBA requested closure of this recommendation.
3. The Acting Under Secretary stated that VA had aggressively pursued an agreement with DOD to require all separating and retiring service members to attend a TAP briefing. The Acting Under Secretary also stated that VBA believes the responsibility rests with DOD to increase TAP participation and that currently only the Marine Corp. mandates TAP attendance. VBA requested closure of this recommendation.
4. The Acting Under Secretary stated that VBA did not concur with the recommendation to develop a mechanism to obtain the TAP briefing participation data necessary to calculate and monitor service member briefing participation rates. The Acting Under Secretary stated that DOD established the goal for a briefing participation rate of 85 percent and determines who is eligible to participate. Therefore, VBA believes the responsibility to collect and monitor briefing participation rates lies with DoD. The Acting Under Secretary also stated that developing the mechanism would present significant challenges and provided examples of these challenges.
5. The Acting Under Secretary stated that VBA is working to correct an identified VADS problem to ensure that outreach packages are appropriately generated for all veterans eligible for VA benefits, including National Guard and reserve veterans. VBA plans to correct the VADS problem by December 31, 2008.
6. The Acting Under Secretary stated that VBA is working with the Department and DOD to convert to the use of separation data from the VA/DOD Identity Repository (VADIR) to issue outreach packages. VBA plans to complete the conversion by December 31, 2008.
7. The Acting Under Secretary stated that in March 2008, VBA provided informal procedures for the VADS Unit to identify better addresses for outreach letters returned as undeliverable. VBA plans to issue formal procedures by October 1, 2008.
8. The Acting Under Secretary stated that VBA will establish policies and procedures to identify and conduct special outreach to veterans who do not have a high school

diploma or equivalent. VBA plans to implement these policies and procedures by December 31, 2008.

In addition, the Acting Under Secretary provided technical comments, which we have incorporated into the body of the report. (See Appendix A for the full text of the Acting Under Secretary's comments.)

OIG Response

We consider the completed actions for Recommendations 1–4 acceptable, and consider these recommendations closed. We consider the planned actions for Recommendations 5–8 acceptable, and we will follow up on their implementation.

The Acting Under Secretary for Benefits concurred in principle with Recommendation 3 and did not concur with Recommendation 4. We agree with the Acting Under Secretary that DOD is in the best position and should have the responsibility for increasing service member TAP briefing attendance and collecting and monitoring participation rates. We coordinated with GAO and learned that as of July 15, 2008, GAO is preparing a report for an audit of DOD's Benefits Delivery at Discharge Program. We expect the GAO to include a recommendation that the Secretary of Defense direct the Under Secretary of Defense for Personnel and Readiness to establish an accurate measure of service members' participation in TAP, including VA benefit briefings. As a result, we consider recommendations 3 and 4 closed.

(original signed by:)

BELINDA J. FINN

Assistant Inspector General for Auditing

Introduction

Purpose

The OIG conducted an audit to determine if VBA controls over transition assistance ensured (1) prompt processing of seriously disabled OEF/OIF veterans' compensation claims and (2) effective outreach to OEF/OIF service members and veterans.

Background

VBA Emphasis on Seriously Disabled OEF/OIF Veterans. In January 2007, VA's Under Secretary for Benefits wrote the following to all VBA employees:

There is no higher priority for any VBA employee, whether serving in the field or in headquarters, than ensuring that we are timely meeting the needs of those seriously injured in OEF/OIF. At every level of our organization, we must ensure we have identified and are case-managing all of the seriously injured. We must actively work to stay in touch with them and do all we can to ease their transition.

VBA defines seriously disabled veterans as service members who definitely or possibly will be discharged from military service because of an injury or illness and all veterans with DOD classification codes of very seriously injured, seriously injured, or a special category involving an amputation.

Presidential, Congressional, and GAO Concerns. After the September 11, 2001, terrorist attacks, the U.S. led a coalition of military forces from more than 40 countries in two GWOT operations. In October 2001, OEF began in Afghanistan and in March 2003 OIF began in Iraq. During the period October 2001–December 2007, about 1.7 million U.S. service members supported OEF/OIF operations. As these service members have returned to the U.S., the President, Congress, and GAO have expressed concerns regarding VBA's transition assistance.

Presidential Concerns. In March 2007, the President established a Task Force on Returning Global War on Terror Heroes and a Commission on Care for America's Returning Wounded Soldier. The Commission performed a comprehensive review of the care provided to America's GWOT service members as they transition from military service to civilian life. In April 2007, the Task Force's report made 25 recommendations to improve delivery of Federal services to returning service members. These recommendations included increasing active duty National Guard and U.S. Army, Navy, Air Force, Marine, and Coast Guard Reserve (Reserve) service member attendance at TAP briefings and developing a system to case manage veterans' claims. In July 2007, the Commission's report made six recommendations including a complete restructuring of the disability and compensation system and a rapid transfer of patient information between DOD and VA.

Congressional Concerns. During the period August 2005–April 2007, Congress held five hearings specifically related to VBA transition assistance responsibilities. The hearings included witness testimony discussing outreach and claim processing controls. For example, during a March 22, 2006, House Committee on Veterans’ Affairs, Subcommittee on Economic Opportunity hearing, the Deputy Adjutant General of the Arkansas National Guard testified that VBA’s role in transition assistance was critical to the successful reintegration of service members into society.

GAO Concerns. In May 2005, GAO’s report *Military and Veterans’ Benefits, Enhanced Services Could Improve Transition Assistance for Reserves and National Guard* (Report No. GAO-05-544) recommended that VA, DOD, and DOL determine what demobilizing National Guard and Reserve service members need to enhance their TAP participation. On June 30, 2006, the House of Representatives Subcommittee on Oversight and Investigations held a hearing on VA and DOD Health Care Efforts to Provide Seamless Transition of Care for OEF/OIF Service Members and Veterans. At the hearing, GAO testified that during the past 5 years, VA and DOD had made limited progress in sharing patient health information for seriously injured service members.

VBA TAP Responsibilities. Title 10 of the U.S. Code requires VA, DOL, and DOD to administer TAP to meet the needs of service members and veterans transitioning from military service to civilian life. VBA transition assistance responsibilities include promptly processing OEF/OIF veterans’ claims and providing outreach to OEF/OIF service members and veterans.

VA Office of Seamless Transition. In January 2005, VA established the Office of Seamless Transition (OST). OST replaced VA’s Task Force for the Seamless Transition of Returning Service Members that VA had established in August 2003 to coordinate VBA and VHA transition assistance activities and to work with DOD on TAP initiatives. In December 2004, the Task Force’s final report identified 11 initiatives for improving transition of service members. The plans included defining, identifying, and monitoring the entire OEF/OIF service member population, including activated Reserves. OST’s mission includes ensuring continuity and improved coordination of healthcare and benefits for seriously injured or ill service members returning from theaters of combat operations as they transition from DOD to VA.

Controls Over Processing of Seriously Disabled OEF/OIF Veterans’ Claims. VBA had established several controls to help identify and promptly process seriously disabled OEF/OIF veterans’ claims. Key controls included:

- An MOU with DOD to obtain medical information for seriously disabled OEF/OIF veterans and policies requiring C&P Service to provide VAROs weekly reports identifying claims received from these veterans.

- A 30-day goal for VARO processing of compensation claims received from seriously disabled OEF/OIF veterans.
- Policies that required VAROs to assign case managers to closely monitor the processing of every claim received from seriously disabled OEF/OIF veterans.
- An OEF/OIF Registry that included information on each claim submitted by seriously disabled veterans. In June 2007, VBA partnered with DOD to create VTA that will replace the OEF/OIF Registry.

Controls Over Outreach to OEF/OIF Service Members and Veterans. VBA had established controls to help ensure adequate outreach to OEF/OIF service members and veterans. Key outreach controls included:

- An MOU with DOD, DOL, and Department of Homeland Security to provide service members information on VBA benefits at TAP briefings.
- Policies and procedures requiring VARO staff to monitor TAP briefings to maintain a high-quality program and TAP briefing participation rate goals of 53 percent for FY 2006 and 85 percent for FY 2011.
- Policies and procedures requiring C&P Service to deliver initial outreach letters to all discharged OEF/OIF veterans.

Scope and Methodology

The audit covered VBA transition assistance controls for FYs 2006–2008 (through January 2008) and included a review of 4,969 compensation claims 57 VAROs received from seriously disabled OEF/OIF veterans DOD discharged from military service during FY 2006. Of the 4,969 compensation claims reviewed, VBA's OEF/OIF registry contained information on only 1,049 of these claims. We identified 3,920 additional claims by analyzing separation service code data for discharged veterans in DOD's Contingency Tracking System (CTS) deployment file, ALLID file, and claim data in VBA's BIRLS. The audit also evaluated VBA outreach to service members and veterans during FYs 2006 and 2007. We estimated the TAP briefing participation rates for FYs 2006 and 2007 by using VBA reported total service members attending FYs 2006 and 2007 TAP briefings and DOD reported total service members discharged from the military during FYs 2006 and 2007. The audit did not review VHA's medical services transition assistance and outreach because the VA OIG Office of Healthcare Inspections (OHI) and DOD OIG were reviewing these activities.

We conducted audit work at the following sites:

- VBA's C&P Service and VA's OST program offices in Washington, D.C.

- VAROs in Roanoke, VA, Houston, TX, and Waco, TX (We selected these VAROs because of the claims processing support they provide to the following three military treatment facilities.)
- DOD's Walter Reed Army Medical Center, Washington, D.C., Brooke Army Medical Center, San Antonio, TX, and Darnall Army Community Hospital, Ft. Hood, TX
- VA's Austin Automation Center, Austin, TX

At VBA and OST offices, we interviewed program managers and reviewed policies and procedures, the Memorandum of Agreement between the National Guard and VA, and the VBA/DOD data-sharing MOU. At the three VAROs, we interviewed office managers, OEF/OIF coordinators, case managers, and other staff with transition assistance responsibilities. We also reviewed claims folders and TAP briefing presentations and attendance records. At the three military medical facilities, we observed outreach practices and reviewed outreach procedures and TAP briefing attendance records. We also interviewed the OEF/OIF coordinator at Walter Reed Army Medical Center and conducted telephone interviews with OEF/OIF coordinators at the 54 VAROs we did not visit.

We used computer-generated data from the following databases to accomplish the audit objectives:

- VBA's OEF/OIF Registry
- VBA's Veterans Assistance at Discharge System (VADS)
- VBA's Beneficiary Information Record Locator System (BIRLS)
- DOD's CTS Deployment File
- VA and DOD's Identity Repository (VADIR)
- OIG's LC Database¹ (<http://www.va.gov/oig/54/reports/VAOIG-07-00380-202.pdf>)

The OIG LC database is an analytical database developed by OHI. The database consists of the study population file, an ALLID file, and 18 DOD and VA master files that incorporate details about service members discharged or released from active military duty during the period July 2005–September 2006. The LC database provides a unique opportunity for systematically evaluating transition processes. Although we identified an insignificant difference between the LC database and the ALLID file, both were sufficiently reliable for accomplishing the audit objectives.

¹ The OIG LC Database provides valuable information on service members and veterans. However, we did not use this database to clarify characteristics such as age, rank, Reserve or National Guard status for claims not processed timely.

To test the reliability of computer-generated data used during the audit, we compared relevant data with documents in VARO claims folders. The data was sufficiently reliable for the audit objectives. The audit focused on controls related to the audit objectives. The audit was not intended to form an opinion on the adequacy of VBA controls overall and the report does not render such an opinion. The audit was conducted in accordance with generally accepted government auditing standards.

Results and Conclusions

Issue 1: VAROs Needed to Promptly Process Claims Received From Seriously Disabled Veterans Who Served In OEF/OIF

Controls over VARO processing of seriously disabled OEF/OIF veterans' compensation claims needed strengthening to reduce claim-processing delays. As shown in Chart 1, VAROs did not process 3,776 (76 percent) of 4,969 seriously disabled veteran compensation claims within VBA's 30-day goal.

Of the 4,969 claims VAROs processed, 3,776 did not meet VBA's goal by an average of 114 days and as much as 504 days. Chart 2 shows the processing times for all 4,969 claims VAROs processed.

VAROs did not process these claims promptly because transition assistance controls did not ensure identification of all seriously injured OEF/OIF veterans' claims and adequate case management of claims. Claim processing delays can cause veterans financial hardships by depriving them of compensation they may need to successfully transition from military service to civilian life.

Procedures for Obtaining DOD Data Identifying Seriously Disabled OEF/OIF Veterans Needed Strengthening

VBA procedures did not ensure VAROs received the DOD data necessary to identify claims received from seriously disabled OEF/OIF veterans. As a result, only 1,049 (21 percent) of the 4,969 seriously disabled OEF/OIF veterans' claims were placed on VBA's OEF/OIF registry for case management. Although VAROs processed the remaining 3,920 claims (79 percent), VBA did not identify them as seriously disabled OEF/OIF

Chart 1: Seriously Disabled OEF/OIF Veterans' Claims Processed (4,969 Claims)

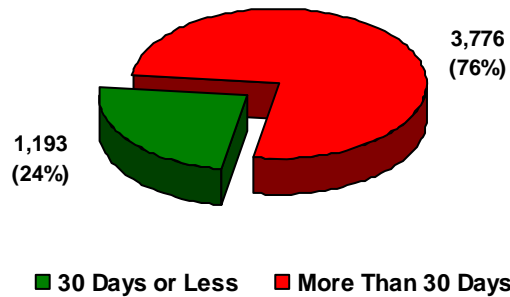
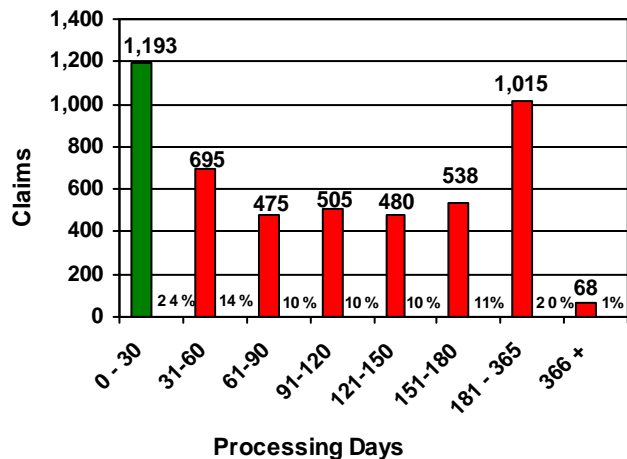


Chart 2: Seriously Disabled OEF/OIF Veterans' Claims Processed (4,969 Claims)



veterans' claims and, as a result, VAROs did not assign the claims the required higher processing priority. (We identified these claims by analyzing separation service code data for discharged veterans in DOD's CTS, seriously disabled OEF/OIF veteran data in VBA's OEF/OIF Registry, and claim data in VBA's BIRLS.) VBA's C&P Service should provide VAROs with the DOD information needed to identify claims received from seriously disabled OEF/OIF veterans. If VAROs do not receive the DOD information, they cannot ensure all claims received from seriously disabled OEF/OIF veterans receive the required processing priority to meet VBA's 30-day goal.

In June 2005, VBA established an MOU with DOD to obtain medical information that identified seriously disabled OEF/OIF veterans. In support of the MOU, in September 2005, the Under Secretary of Defense directed the U.S. Army Surgeon General to provide VBA a service member data report every 3 weeks that includes the injury and illness classification codes needed to identify these veterans. However, as of January 2008, VBA had not obtained any of the U.S. Army Surgeon General reports. Senior C&P Service officials stated that VBA had not followed up with DOD to obtain these reports because VBA was waiting to obtain the injury and classification codes from VTA, a planned VBA/DOD web-based application. As of January 2008, VBA was testing the reliability of VTA data and could not provide us with a planned full implementation date.

Because VBA did not obtain the DOD information, VAROs had to use other less effective methods to identify seriously disabled OEF/OIF service members. All 58 OEF/OIF coordinators interviewed (57 at VAROs and 1 at Walter Reed Army Medical Center) stated that they used other methods to identify these service members. The following example illustrates the methods OEF/OIF coordinators used:

Example 1. The coordinator assigned to Walter Reed Army Medical Center relied on DOD social workers, Intensive Care Unit employees, and visual observation of new patients assigned to the Amputation Ward as methods to identify seriously disabled OEF/OIF service members. The coordinator stated that this method was less effective than obtaining a DOD list of seriously disabled OEF/OIF service members. Because the coordinator did not receive the DOD information, the coordinator could not consistently identify all seriously disabled OEF/OIF service members and, as a result, could not identify their claims for expedited processing.

To strengthen controls for identifying claims received from seriously disabled OEF/OIF veterans, VBA should obtain the U.S. Army Surgeon General reports, that include the injury and illness classification codes identifying seriously disabled service members, until VBA fully implements VTA.

Monitoring of Case-Managed Claims Processing Needed Improvement

VBA needed to improve the monitoring of case managed claims processing to help ensure VAROs process case managed claims promptly. VAROs did not meet VBA's 30-day claim processing goal for 772 (74 percent) of 1,049 claims that were case managed. VBA policy requires VAROs to case manage seriously disabled OEF/OIF veterans' claims. Case management is intended to ensure processing of claims for seriously disabled veterans meets VBA's 30-day processing goal. Case managers are required to closely monitor the status of each claim and use telephone calls and letters to inform each veteran of their claim's status.

To monitor VARO processing of case-managed claims, VBA's Office of Field Operations (OFO) used an OEF/OIF Registry. In June 2007, VBA announced that it had partnered with DOD to create a web-based VTA that, when fully implemented, will replace the OEF/OIF Registry. For each case-managed claim, the registry shows the VARO of jurisdiction, the date the claim was received, and if the claim has been processed. Every month, VAROs are required to provide updated information to OFO for the registry and OFO is required to provide an updated registry to VAROs.

VBA's case management requirements had minimal effect on the timeliness of claims received from seriously disabled OEF/OIF veterans. Claim processing times did not meet the 30-day goal for 77 percent of the 3,920 claims that were not case managed and a minimally lower 74 percent of the 1,049 claims that were case managed. As shown in Table 1 below, VAROs did not meet the timeliness goal by an average of 107 days for 772 case-managed claims, 115 days for 3,004 claims that were not case managed, and 114 days for the total 3,776 claims that were processed in more than 30 days.

Table 1. VARO Processing Times for Seriously Disabled OEF/OIF Veterans' Compensation Claims

Days to Process Claims	Number of Claims		
	Case Managed	Not Case Managed	Total
0-30 (Within VBA goal)	277 (26%)	916 (23%)	1,193 (24%)
31-60	148 (14%)	547 (14%)	695 (14%)
61-90	122 (12%)	353 (9%)	475 (10%)
91-120	109 (10%)	396 (10%)	505 (10%)
121-150	105 (10%)	375 (10%)	480 (10%)
151-180	96 (9%)	442 (11%)	538 (11%)
181-365	176 (17%)	839 (22%)	1,015 (20%)
Over 1-Year	16 (2%)	52 (1%)	68 (1%)
Totals	1,049 (100%)	3,920 (100%)	4,969 (100%)
Totals Not Meeting 30-Day Goal	772 (74%)	3,004 (77%)	3,776 (76%)
Average Days Over Goal	107	115	114

Of the 4,969 total seriously disabled OEF/OIF veteran claims, VAROs took 181 to 365 days to process 1,015 (20 percent) claims and over 1 year to process 68 (1 percent)

claims. The following example illustrates how claims processing untimeliness delayed veterans' receipt of compensation:

Example 2. A VARO received a claim from an OEF/OIF veteran because of a partial amputation of the left arm, a right eye retinal detachment, and shrapnel scars. The VARO identified the veteran as being seriously disabled and the claim as requiring case management. After receiving the claim, the VARO received the veteran's service medical records in 15 days and the C&P examination results in 23 days, both within the 30-day timeframe. However, the VARO took 142 days, or 112 days more than the 30-day goal, to process the claim. The VAROs untimeliness in processing the claim delayed the veteran's receipt of \$5,850. If the case manager, VARO, and OFO had effectively monitored the processing of this claim, then the VARO would have processed the claim in less than 30 days and the veteran would have received the \$5,850 promptly.

To strengthen monitoring, VBA needed to develop improved mechanisms that case managers, OEF/OIF coordinators, and OFO can use to more effectively track and follow-up on claims received from seriously disabled OEF/OIF veterans.

Issue 2: Outreach to OEF/OIF Service Members and Veterans Needed Improvement

VBA needed to improve controls over outreach to OEF/OIF service members and veterans. VBA established a FY 2006 TAP briefing participation rate goal of 53 percent. However, neither DOD nor VBA were collecting and reporting data on participation rates achieved. We estimated that the FY 2006 participation rate was 43 percent. In addition, VBA did not deliver initial outreach letters to 65,853 OEF/OIF veterans. Furthermore, VBA did not provide special outreach to an additional 3,274 veterans who did not have a high school diploma or equivalent.

Title 38 of the U.S. Code, requires VBA to notify service members and veterans of all benefits for which they may be eligible. To improve the effectiveness of controls over outreach to OEF/OIF service members and veterans, DOD needed to monitor and increase service member attendance at VBA TAP briefings. In addition, VBA needed to strengthen procedures for processing initial outreach letters and develop policies and procedures for special outreach. Improving these controls will help ensure OEF/OIF service members and veterans receive information explaining available VBA benefits and VAROs process submitted benefit claims within established timeframes.

VBA Needed to Monitor and Increase OEF/OIF Service Member Attendance at TAP Briefings

VBA established service member participation rate goals for TAP briefings of 53 percent in FY 2006. DOD nor VBA were collecting and reporting data on participation rates achieved. We estimated participation rates of 43 percent in FY 2006 and 47 percent in FY 2007. Title 10 of the U.S. Code requires TAP briefings to be provided to service members within 12 months of separation and 24 months of retirement. VBA, DOD, and DOL provide TAP briefings at military installations in the U.S. and overseas. At TAP briefings, VARO staff inform service members of available benefits such as disability C&P, education, home loan guaranty, and life insurance. (Hospitalized seriously disabled service members who cannot attend TAP briefings receive an individual briefing at the medical facility providing treatment.)

Monitoring TAP Briefing Attendance. DOD is in the best position to collect and monitor TAP briefing participation rates. Furthermore, according to the Under Secretary for Benefits, discharge data obtained from DOD is not accurate for purposes of determining TAP participation rates because service members can attend TAP briefings up to 2 years prior to retirement or 6 years prior to discharge and up to 6 months after discharge or retirement.

We agree that discharge data from DOD may be inaccurate. To calculate accurate participation rates, DOD must determine the OEF/OIF service members eligible to attend TAP briefings and the OEF/OIF service members who participate in the briefings. Considering DOD and VBA did not have the data needed to calculate accurate participation rates, we used DOD discharge data to estimate FYs 2006 and 2007 participation rates. To calculate the rates we used VBA reported total service members attending FYs 2006 and 2007 TAP briefings and DOD reported total service members discharged from the military during FYs 2006 and 2007.

Increasing VBA TAP Briefing Attendance. We estimated OEF/OIF service members TAP briefing participation rates of 43 percent in FY 2006 and 47 percent in FY 2007. VBA did not achieve the FY 2006 participation rate goal of 53 percent because DOD did not mandate all eligible service members to attend a VBA TAP briefing prior to discharge. As of January 2008, the Marine Corps was the only branch of DOD that required service members to attend TAP briefings. The problem of service members not attending TAP briefings was discussed in GAO report *Military and Veterans' Benefits, Enhanced Services Could Improve Transition Assistance for Reserves and National Guard* (Report No. GAO-05-544, May 2005). The report stated that DOD TAP representatives believed that making TAP briefing attendance mandatory for service members would improve transition assistance.

Procedures For Processing Initial Outreach Letters Needed Strengthening

To improve outreach to veterans, VBA needed to strengthen procedures for processing initial outreach letters. VBA did not deliver initial outreach letters to 65,853 (33 percent) of the 198,128 OEF/OIF veterans discharged from the military during FY 2006. Title 38 of the U.S. Code requires VBA to advise each discharged veteran of available benefits by letter. VBA uses an initial outreach letter to inform recently discharged veterans of available benefits. The letter includes information on benefits such as disability C&P, education, home loan guaranties, and life insurance. The letter also includes a toll-free number veterans can call for additional information. The 65,853 veterans did not receive letters because C&P Service staff made incorrect ineligibility determinations (36,968 veterans), did not obtain DD-214 information from DOD (22,879 veterans), and did not follow-up on letters returned as undeliverable (6,006 veterans).

Incorrect Ineligibility Determinations. C&P Service did not send initial outreach letters to 36,968 discharged OEF/OIF National Guard and Reserve veterans because C&P Service staff incorrectly determined that the veterans were ineligible for benefits. C&P Service procedures require staff to review every discharged veteran's DD-214 to determine if the veteran has met minimum active duty requirements for benefit eligibility. To be eligible for benefits, the U.S. Code of Federal Regulations (CFR) requires veterans to complete a minimum of 24 months of continuous active duty or complete called-up periods of active duty of less than 24 months.

C&P Service staff incorrectly determined that 36,968 National Guard and Reserve veterans, whose called-up active duty periods were less than 24 months, were ineligible for benefits because they applied the CFR's minimum active duty requirement of 24 months regardless of whether or not the veteran had been called to active service. According to the C&P Service, Assistant Director of Veterans Services, staff did not fully understand the CFR minimum active duty service requirements because VBA did not have a written policy explaining the requirements. C&P Service staff also made the incorrect ineligibility determinations because C&P Service controls did not include policies and procedures to ensure the accuracy of staff ineligibility determinations.

According to the Acting Under Secretary for Benefits, C&P Service does not make eligibility determinations for separating service members for purposes of the initial outreach letter. Instead, VADS generates initial outreach letters based on data extracted from veterans' DD-214s. However, the Acting Under Secretary also acknowledged that C&P Service is responsible for ensuring VADS generates the outreach letters to eligible service members by stating that as of July 2008 C&P Service is working with the VADS Unit to implement corrective actions.

DD-214 Information Not Obtained. Our analysis of information in VBA and DOD databases identified 22,879 veterans that DOD had discharged and C&P Service had not sent initial outreach letters. When a veteran is discharged, DOD should provide the

veteran's DD-214 information to C&P Service. When C&P Service staff receive the DD-214 information, they should record, in VADS, data such as the veteran's period of service, separation date, and character of discharge. VADS automatically generates initial outreach letters on a daily basis to these veterans. Because C&P service staff did not receive the 22,879 veterans' DD-214 information, the veterans did not receive the initial outreach letters.

Inadequate Follow-up on Undeliverable Letters. C&P Service staff did not follow-up on 6,006 initial outreach letters returned as undeliverable because of incorrect addresses. When C&P Service staff received the letters returned as undeliverable, they recorded in VADS that the letters had been returned and shredded the letters. They did not take any action to determine current addresses because VBA did not have policies and procedures requiring any follow-up. To improve controls, VBA should require staff to follow-up on letters returned as undeliverable and attempt to obtain current addresses from sources such as VADIR, the Internal Revenue Service, or telephone contacts with veterans or their dependents.

Policies and Procedures for Special Outreach Are Needed

Title 38 of the U.S. Code requires VBA to perform special outreach, in person or by telephone, for veterans who do not have a high school diploma or equivalent. VBA did not have policies and procedures requiring special outreach for these veterans. As a result, C&P Service staff did not perform special outreach for 3,274 discharged OEF/OIF veterans who did not have a high school diploma. C&P Service staff stated they did not identify veterans for special outreach and could not remember when they had last performed any special outreach. The Chief of Outreach for C&P Service stated that special outreach is no longer necessary because the military has evolved to a point where most recruits have a high school diploma or equivalent. However, the Chief of Outreach had no evidence to support his statement and our analysis of information in VBA and DOD databases identified 3,274 discharged veterans who did not have high school diplomas or equivalent. Staff did not perform the required special outreach because VBA did not have policies and procedures requiring them to identify veterans who should receive special outreach and to perform the outreach. As a result, these veterans may not be aware of or claim certain benefits they should receive.

Conclusion

Controls over VARO processing of seriously disabled OEF/OIF veterans' compensation claims needed strengthening to reduce claim-processing delays. In addition, controls over outreach needed strengthening to ensure VBA informs service members and veterans of available VBA benefits that can ease their transition to civilian life. VBA implementation of the following recommendations will address the transition control deficiencies identified during the audit and help ensure a smooth transition for the men

and women who have made sacrifices in defense of freedom, not only in Iraq and Afghanistan, but also throughout the world.

Recommendations

1. We recommended the Acting Under Secretary for Benefits obtain U.S. Army Surgeon General reports that include the injury and illness classification codes necessary to identify seriously disabled service members until VBA fully implements VTA.
2. We recommended the Acting Under Secretary for Benefits develop improved monitoring mechanisms to ensure VAROs promptly process seriously disabled OEF/OIF veterans' compensation claims.
3. We recommended the Acting Under Secretary for Benefits pursue an agreement with DOD requiring service members to attend a VBA TAP briefing prior to discharge.
4. We recommended the Acting Under Secretary for Benefits develop a mechanism to obtain the VBA TAP briefing participation data necessary to calculate and monitor annual service member briefing participation rates.
5. We recommended the Acting Under Secretary for Benefits establish policies and procedures that clearly describe minimum benefit eligibility requirements and implement controls for ensuring the accuracy of eligibility determinations.
6. We recommended the Acting Under Secretary for Benefits develop a mechanism to obtain the DD-214 information needed to identify discharged veterans who should receive outreach letters.
7. We recommended the Acting Under Secretary for Benefits establish policies and procedures that require staff to follow-up on initial outreach letters returned as undeliverable.
8. We recommended the Acting Under Secretary for Benefits establish policies and procedures that require staff to provide special outreach to veterans who do not have a high school diploma or equivalent.

Acting Under Secretary for Benefits Comments

The Acting Under Secretary for Benefits concurred with the reports conclusions and recommendations, except for Recommendation 4. The Acting Under Secretary's comments on each of the 8 recommendations are summarized below:

1. The Acting Under Secretary stated that effective April 30, 2008, the VTA program was fully implemented, with all regional offices entering data into VTA on seriously injured service members. VBA requested closure of this recommendation.
2. The Acting Under Secretary stated that in September 2007 enhancements to the Veterans Service Network (VETSNET) Operations Reports were made that provide regional offices with improved methods to track claims of seriously disabled

OEF/OIF veterans. The Acting Under Secretary also reported that through June of FY 2008 more than 30 percent of claims from seriously injured veterans were processed in 30 days or less. VBA requested closure of this recommendation.

3. The Acting Under Secretary stated that VA had aggressively pursued an agreement with DOD to require all separating and retiring service members to attend a TAP briefing. The Acting Under Secretary also stated that VBA believes the responsibility rests with DOD to increase TAP participation and that currently only the Marine Corp. mandates TAP attendance. VBA requested closure of this recommendation.
4. The Acting Under Secretary stated that VBA did not concur with the recommendation to develop a mechanism to obtain the TAP briefing participation data necessary to calculate and monitor service member briefing participation rates. The Acting Under Secretary stated that DOD established the goal for a briefing participation rate of 85 percent and determines who is eligible to participate. Therefore, VBA believes the responsibility to collect and monitor briefing participation rates lies with DoD. The Acting Under Secretary also stated that developing the mechanism would present significant challenges and provided examples of these challenges.
5. The Acting Under Secretary stated that VBA is working to correct an identified VADS problem to ensure that outreach packages are appropriately generated for all veterans eligible for VA benefits, including National Guard and reserve veterans. VBA plans to correct the VADS problem by December 31, 2008.
6. The Acting Under Secretary stated that VBA is working with the Department and DOD to convert to the use of separation data from the VA/DOD Identity Repository (VADIR) to issue outreach packages. VBA plans to complete the conversion by December 31, 2008.
7. The Acting Under Secretary stated that in March 2008, VBA provided informal procedures for the VADS Unit to identify better addresses for outreach letters returned as undeliverable. VBA plans to issue formal procedures by October 1, 2008.
8. The Acting Under Secretary stated that VBA will establish policies and procedures to identify and conduct special outreach to veterans who do not have a high school diploma or equivalent. VBA plans to implement these policies and procedures by December 31, 2008.

In addition, the Acting Under Secretary provided technical comments, which we have incorporated into the body of the report. (See Appendix A for the full text of the Acting Under Secretary's comments.)

OIG Response

We consider the completed actions for Recommendations 1–4 acceptable, and consider these recommendations closed. We consider the planned actions for Recommendations 5–8 acceptable, and we will follow up on their implementation.

The Acting Under Secretary for Benefits concurred in principle with Recommendation 3 and did not concur with Recommendation 4. We agree with the Acting Under Secretary that DOD is in the best position and should have the responsibility for increasing service member TAP briefing attendance and collecting and monitoring participation rates. We coordinated with GAO and learned that as of July 15, 2008, GAO is preparing a report for an audit of DOD's Benefits Delivery at Discharge Program. We expect the GAO report to include a recommendation that the Secretary of Defense direct the Under Secretary of Defense for Personnel and Readiness to establish an accurate measure of service members' participation in TAP, including VA benefit briefings. As a result, we consider recommendations 3 and 4 closed.

Acting Under Secretary for Benefits Comments

Department of Veterans Affairs

MEMORANDUM

Date: July 9, 2008

From: Acting Under Secretary for Benefits (20)

Subj: OIG Draft Report—Audit of Veterans Benefits Administration
Transition Assistance for Operations Enduring and Iraqi Freedom Service
Members and Veterans (Project No. 2006-03552-R9-0002)—WebCIMS 406091

To: Assistant Inspector General for Audit (52)

1. This is in response to your request for VBA's review of OIG Draft Report— Audit of Veterans Benefits Administration Transition Assistance for Operations Enduring and Iraqi Freedom Service Members and Veterans. VBA's comments are attached.
2. Questions may be referred to Nancy Holly, Program Analyst, at 461-9199.



P. W. Dunne

Attachment

**Acting Under Secretary for Benefits Comments
to Office of Inspector General's Report**

VBA COMMENTS ON OIG DRAFT REPORT

**Audit of Veterans Benefits Administration Transition Assistance
for Operations Enduring and Iraqi Freedom Service Members and Veterans**

The Veterans Benefits Administration offers the following comments on OIG's draft report:

Page iv and Page 10, Monitoring TAP Briefing Attendance:

"VBA did not determine and monitor TAP briefing attendance for OEF/OIF service members because C&P Service did not obtain the information needed to calculate participation rates."

VBA Comment

The Compensation and Pension (C&P) Service tracks the numbers of TAP participants, but does not separately track those participants who served OEF/OIF theaters of operations. Discharge data, if obtained from DoD, is not accurate for purposes of determining TAP participation rates because servicemembers can attend TAP briefings up to two years prior to retirement or six months prior to discharge and up to six months after discharge or retirement.

Page iv, Processing Initial Outreach Letters, and
Page 11, Procedures for Processing Initial Outreach Letters Needed):

"The 65,853 OEF/OIF veterans did not receive initial outreach letters because C&P Service staff made incorrect ineligibility determinations (36,968 National Guard and Reserve veterans), did not obtain Certificates of Release or Discharge from Active Duty (DD214s) information from DoD (22,879 veterans), and did not follow-up on letters returned as undeliverable (6,006 veterans)."

Page 11, Incorrect Ineligibility Determinations:

"C&P Service did not send initial outreach letters to 36,968 discharged OEF/OIF National and Reserve veterans because C&P Service staff incorrectly determined that the veterans were ineligible for benefits."

Acting Under Secretary for Benefits Comments to Office of Inspector General's Report

Page 2.

Page 11, Incorrect Ineligibility Determinations (continued):

“C&P Service staff incorrectly determined that 36,968 National and Guard Reserve veterans, whose called-up active duty periods were less than 24 months, were ineligible for benefits because they applied the CFR’s minimum active duty requirement of 24 months regardless of whether or not the veteran had been called to active service.”

VBA Comment

The C&P Service does not make eligibility determinations for separating servicemembers for purposes of the initial outreach letter. The initial outreach letters are generated by the Veterans Assistance Discharge System (VADS). The goal of VADS is to ensure former servicemembers are in VA’s records system and to notify veterans of VA benefits. VADS data is extracted from veterans’ DD Forms 214, Certificate of Release or Discharge from Active Duty.

The C&P Service discovered through an oversight visit to the VADS Unit in early 2008 that outreach packages were not being sent to approximately 60,000 separating servicemembers because of undeliverable mail, untimely receipt of DD214s on separating Reserve and National Guard members, and VADS rejected DD214 data for veterans with less than 24 months of service. The C&P Service is working with the VADS Unit to implement corrective actions.

Recommendation 1: We recommend the Acting Under Secretary for Benefits obtain U.S. Army Surgeon General reports that include the injury and illness classification codes necessary to identify seriously disabled service members until VBA fully implements VTA.

Response: VBA concurs.

Effective April 30, 2008, the VTA program was fully implemented, with all regional offices entering data into VTA on the seriously injured servicemembers at major medical treatment facilities and those residing within their jurisdiction.

VBA requests closure of this recommendation.

Acting Under Secretary for Benefits Comments to Office of Inspector General's Report

Page 3.

Recommendation 2: We recommend the Acting Under Secretary for Benefits develop improved monitoring mechanisms to ensure VAROs promptly process seriously disabled OEF/OIF veterans' compensation claims.

Response: VBA concurs.

Enhancements to the VETSNET Operations Reports were made in September 2007 that provide regional offices with improved methods to track claims of seriously disabled OEF/OIF veterans. VBA's Area Offices and the Office of Field Operations run weekly reports to monitor all pending claims from seriously injured veterans and identify and follow-up if the claims are not being processed timely.

At the end of FY07, the average days to process an original claim from a seriously injured veteran was 111.2 days. During the month of June 2008, the average days to complete these claims improved to 46.6 days. The combined average processing days for original and supplemental claims from seriously injured veterans in June was 56.3 days. While VBA continues to strive for an average of 30 days to complete these claims, processing every claim in 30 days would be extremely difficult due to evidentiary requirements, as well as the notice requirements of the Veterans Claims Assistance Act. This fiscal year through June, more than 30% of claims from seriously injured veterans were processed in 30 days or less.

VBA requests closure of this recommendation.

Recommendation 3: We recommend the Acting Under Secretary for Benefits pursue an agreement with DOD requiring service members to attend a VBA TAP briefing prior to discharge.

Response: VBA concurs in principle.

VA aggressively pursued an agreement with DOD to require that all separating and retiring servicemembers attend a TAP briefing. Currently, the only service mandating TAP attendance is the Marine Corps. In a memorandum dated August 24, 2007, DOD's Principal Deputy Under Secretary of Defense for Personnel and Readiness directed the Assistant Secretaries of the Army, Navy, and Air Force to develop plans to achieve the pledge that Secretary Gates made to the President as an outcome of the Task Force on Global War on Terror Heroes to increase TAP attendance to 85 percent. We believe the responsibility rests with DOD to increase TAP participation. VBA staff is available to provide TAP briefings.

VBA requests closure of this recommendation.

Acting Under Secretary for Benefits Comments to Office of Inspector General's Report

Page 4.

Recommendation 4: We recommend the Acting Under Secretary for Benefits develop a mechanism to obtain the VBA TAP briefing participation data necessary to calculate and monitor annual service member briefing participation rates.

Response: VBA does not concur.

TAP briefings are a joint venture of DOD, DOL, and VBA. DOD schedules all TAP briefings and announces availability to eligible servicemembers. VBA's role is to provide staff to conduct the VA portion of the briefings. We do not have a list of servicemembers eligible to participate in TAP, nor do we collect individual identifying information from participants. We collect only the number of attendees. DOD has set the goal for participation level at 85 percent and determines who is eligible to participate. We therefore believe the responsibility to collect and monitor servicemember participation rates lies with DoD.

Developing the mechanism recommended in the report would present significant challenges. For example, servicemembers may attend a TAP briefing up to two years prior to their discharge date. Given this extremely long window of opportunity, it would be necessary to collect data over a span of two years in order to determine the participation rate for a specific year. Additionally, VBA would need to collect personal identifying information on each servicemember in attendance. A simpler solution would be to have DOD record the attendance of those participating in TAP in their personnel records and then collect the information at the time of discharge.

Recommendation 5: We recommend the Acting Under Secretary for Benefits establish policies and procedures that clearly describe minimum benefit eligibility requirements and implement controls for ensuring the accuracy of eligibility determinations.

Response: VBA concurs with the intent of the recommendation.

Target Completion Date: December 31, 2008

Minimum eligibility requirements for VA benefits are determined when veterans initially file for a particular benefit. It appears this recommendation relates to the input of information into the Veterans Assistance at Discharge System (VADS) to generate outreach packages to separating servicemembers.

VBA is working to correct the identified VADS problem and ensure the outreach packages are appropriately generated for all veterans eligible for VA benefits, including National Guard and Reserve veterans. The changes underway will also ensure that VBA business lines are able to use the information in VADS to

Acting Under Secretary for Benefits Comments to Office of Inspector General's Report

Page 5.

determine eligibility for benefits without further verification of military service for most veterans.

Implementation of these new procedures will reduce the number of rejected DD-214s that require additional input through the VADS process and will ensure that VA's Beneficiary Identification and Records Locator System (BIRLS) contains accurate and up-to-date information.

Recommendation 6: We recommend the Acting Under Secretary for Benefits develop a mechanism to obtain the DD-214 information needed to identify discharged veterans who should receive outreach letters.

Response: VBA concurs. Target Completion Date: December 31, 2008

VBA is working with the Department and DOD to convert to use of separation data from the VA/DOD Identity Repository (VADIR) to issue outreach packages. VADIR is becoming the authoritative database for personal identifying information and military history of the beneficiary population served by DOD and VA. Delays and gaps have been identified in processing DD-214s from the military service branches, especially for members of the Reserve and National Guard. VADIR replaces multiple data interfaces between DOD and VA and facilitates interagency data sharing. Receipt of separation data through VADIR will close the gap for timely issuance of benefit information to transitioning servicemembers.

Recommendation 7: We recommend the Acting Under Secretary for Benefits establish policies and procedures that require staff to follow-up on initial outreach letters returned as undeliverable.

Response: VBA concurs. Target Completion Date: October 1, 2008

In March 2008, VBA provided informal procedures for the VADS Unit to follow to identify better addresses for outreach letters returned as undeliverable. Through access to Debtor Discovery, the VADS Unit has increased ability to obtain updated addresses for delivery of outreach letters returned as undeliverable. Formal procedures are being drafted.

**Acting Under Secretary for Benefits Comments
to Office of Inspector General's Report**

Page 6.

Recommendation 8: We recommend the Acting Under Secretary for Benefits establish policies and procedures that require staff to provide special outreach to veterans who do not have a high school diploma or equivalent.

Response: VBA concurs. Target Completion Date: December 31, 2008

VBA will establish policies and procedures to identify and conduct special outreach efforts to veterans who have recently separated or retired and do not have a high school diploma or equivalent.

OIG Contact and Staff Acknowledgments

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